

The British Lichen Society is now a Charitable Incorporated Organization

Why do this?

Charitable Incorporated Organization is a relatively new model for charity management, recommended by the Charity Commission for organizations such as ourselves. It means that the BLS is now a legal entity in its own right (previously our status in law was merely a group of like-minded people), and it provides numerous advantages over our former status. It allows us to employ people and let contracts (before, we could only provide grants in exchange for services). Our constitution is much more tightly worded than before, and specifies new governance arrangements that increase the accountability of society officers and trustees to our membership. It also removes the financial liability of trustees (previously trustees were jointly and severally liable for financial shortfalls), though their responsibility in law remains to act in a proper fashion for the benefit of the charity. At this point it should be stressed that the finances of the Society are in good order, and trustees have never in its history been required to reimburse the BLS following financial mismanagement or loss.

At the British Lichen Society AGM in Kew on 26 January 2019, Council therefore recommended to the membership that the BLS change its charitable status to that of CIO (Charitable Incorporated Organization). Those present at the meeting unanimously endorsed the proposal and the draft constitution that had been previously circulated to all members, and gave Council a remit to take forward the processes needed to achieve CIO status.

So, what happened then?

There followed a period of consultation (including study of organizations already with CIO status), and an initial application was made to the Charity Commission in October 2019. After a delay of some weeks the application was rejected, due to the need to receive endorsement from Companies House to use the legally restricted terms “British” and “Society” in the name of the new organization, despite their use by the BLS throughout the previous sixty-odd years. Such endorsement was then requested, but it proved impossible to obtain a response.

At the Council meeting in September 2020, it was agreed that a new application should be made to the Charity Commission, with professional help. Helen Harvie from the specialist charity law firm H3 Solicitors was appointed to review our draft constitution and make the application on the Society’s behalf. She was most efficient in her support, and undoubtedly speeded the process considerably. She duly extracted the necessary permissions from Companies House, and proposed some minor changes to the draft constitution which were agreed by Council via email. The most significant of these were that all trustees of the CIO have to be individuals, and cannot be members of the trustee board *ex officio* as we had proposed. The new application was made with a revised draft constitution dated 4 December 2020.

Some further delay occurred due to the Charity Commission process, and their requirement to re-word the Objectives of the Society to reflect modern usage of words in charity law. Council determined that the proposed wording did not materially affect the meaning of the Objectives, such

as would have required consultation with the membership. The final draft constitution was approved by the Charity Commission and the new CIO came into being as a legal entity with a new charity number (1194213) on 23 April 2021.

So, all sorted?

Not quite. In the eyes of the law, two separate charities with separate charity numbers (both named British Lichen Society) exist as from 23 April, and the “old” charity retained all of its financial assets. It was therefore necessary formally to transfer the assets of the old organization to the new charity, by a Deed of Transfer which came into force at midnight of 30 June. That date was chosen to coincide with the beginning of a new financial year for the Society. The assets transferred included the contents of all of the old society’s bank and investment accounts, and all stock, data, intellectual property etc. Banking arrangements for the new Society are still being finalized, but the sums concerned are currently held in trust and remain accessible for use when needed. Once all of the necessary accounts are in place and transfers have taken place, an application will be made to the Charity Commission for the formal winding down of the “old” society.

And will we notice the difference?

From the perspective of members, very little will change – the BLS will continue in its current form. The *Lichenologist* and the *Bulletin* will carry on being published, field meetings (Covid permitting) will happen, information will continue to be available on our website, the recording scheme will still operate as normal, Zoom meetings and social media will continue as before, and current projects will not be affected.

The main change visible to members is in governance arrangements. The old constitution served the Society well for many years, but did have weaknesses in the light of current charity law. Principally, there was insufficient distinction made between the roles of trustees and officers of the Society, and it contained clauses focused on day-to-day running of the Society that will now be contained in a separate governance document, the Rules of the Society.

The Trustees of the British Lichen Society as it exists now in charity law constitute an independent group of individuals with two overarching responsibilities - to ensure that the Officers of the Society operate in a proper manner in furtherance of the objectives of the charity, and to provide advice and strategic counsel where needed. Officers of the Society may also be trustees, but they occupy that position as individuals and not as *ex officio* members. Trustees are elected by the membership in a similar manner to the officers, and generally serve a three-year term of office as specified in the new constitution.

Who are the trustees of the “new” Society?

The founding trustees listed in the constitution as approved by the Charity Commission are as follows: Judith Allinson, Paul Cannon (chair), Ester Gaya, Heleen Plaisier, Janet Simkin, John Skinner, Gothamie Weerakoon and Rebecca Yahr. They will stay in place until the next AGM (in January 2022), when according to the new constitution all will resign and if they wish, stand for re-election for a three-year term of office. In following years, the terms of the trustees will adjusted such that one third of the team will be up for election at each subsequent AGM.